

**DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION
OFFICE OF CHILDHOOD**

CHILD CARE SUBSIDY ELIGIBILITY POLICY MANUAL

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TABLE OF CONTENTS

SECTION 1. CHILD CARE SUBSIDY OVERVIEW	1
1.1 LEGAL BASIS	1
1.2 PARENTAL CHOICE	1
1.3 CONFIDENTIALITY AND REQUEST FOR RECORDS	1
1.4 INFORMATION AVAILABLE TO APPLICANTS OR APPLICANT'S REPRESENTATIVE	1
1.5 RECORD RETENTION	1
SECTION 2: APPLICATION PROCESS	1
2.1 REQUESTS FOR CHILD CARE SUBSIDY	1
2.2 SIGNING THE APPLICATION	1
2.3 DATE OF REQUEST	1
2.4 REQUESTS FOR ADDITIONAL INFORMATION OR CLARIFICATION	1
2.5 VOLUNTARY WITHDRAWAL OF APPLICATION	1
2.6 APPLICATION APPROVAL	1
2.7 APPLICATION DENIAL	2
SECTION 3: WAITING LIST	2
3.1 PLACEMENT ON WAITING LIST	2
3.2 REMOVAL FROM WAITING LIST	2
SECTION 4: ELIGIBILITY CRITERIA	2
4.1 RESIDENCY	2
4.2 CITIZENSHIP OR QUALIFIED ALIEN STATUS OF THE CHILD	2
4.3 ELIGIBILITY UNIT	2
4.4 RELATIONSHIP OF THE APPLICANT TO THE CHILD	2
4.5 ELIGIBLE CHILD	2
4.6 SOCIAL SECURITY NUMBER NOT REQUIRED	2
4.7 INCOME ELIGIBILITY GUIDELINES	2
4.8 ASSET LIMITS	3
SECTION 5: ASSESSING INCOME	3
5.1 EARNED INCOME	3
5.2 UNEARNED INCOME	3
5.3 IRREGULAR OR SPORADIC INCOME	3
5.4 INCOME AND DEDUCTIONS FROM SELF-EMPLOYMENT	4

5.5	MILITARY INCOME	4
5.6	EXCLUSIONS FROM MONTHLY GROSS INCOME	4
5.6.1	BENEFITS FROM ANOTHER AGENCY	5
5.6.2	RESOURCE PAYMENTS	6
5.6.3	MONETARY GIFTS AND SPECIAL INCOME CIRCUMSTANCES	6
5.6.4	IN-KIND/NON-CASH INCOME.....	6
5.6.5	LOANS.....	7
5.6.6	OTHER.....	7
5.7	DEDUCTIONS FROM GROSS INCOME	8
	SECTION 6: QUALIFYING ACTIVITY (VALID NEED)	8
6.1	EMPLOYMENT	8
6.1.1	VERIFICATION OF EMPLOYMENT	9
6.2	EDUCATION	9
6.2.1	VERIFICATION OF EDUCATION	10
6.3	TRAINING	10
6.3.1	VERIFICATION OF TRAINING	10
6.4	JOB SEARCH	10
6.5	INCAPACITATION/DISABILITY OF APPLICANT.....	11
6.5.1	VERIFICATION OF INCAPACITATION/DISABILITY OF APPLICANT	11
6.6	PROTECTIVE SERVICE CHILD.....	11
6.6.1	VERIFICATION OF PROTECTIVE SERVICE CHILD	11
6.7	CHILD WITH A SPECIAL NEED FOR CHILD CARE.....	11
6.7.1	VERIFICATION OF A CHILD WITH A SPECIAL NEED	12
6.8	APPLICANT EXPERIENCING HOMELESSNESS	12
6.8.1	VERIFICATION OF APPLICANT EXPERIENCING HOMELESSNESS.....	12
	SECTION 7: AUTHORIZATION PROCESS	12
7.1	AUTHORIZING EMPLOYMENT	12
7.2	AUTHORIZING EDUCATION	12
7.3	AUTHORIZING TRAINING	13
7.4	AUTHORIZING JOB SEARCH.....	13
7.5	AUTHORIZING FAMILIES EXPERIENCING HOMELESSNESS.....	13
7.6	AUTHORIZING INCAPACITATION/DISABILITY OF APPLICANT	13
7.7	AUTHORIZING A PROTECTIVE SERVICE CHILD	13
7.8	AUTHORIZING A CHILD WITH A SPECIAL NEED FOR CHILD CARE	13
7.9	AUTHORIZING SCHOOL AGE CHILDREN.....	13
7.10	AUTHORIZATION DURING A PARTICIPANT’S SLEEP TIME	13

7.11	CONTINUITY OF CARE	14
	SECTION 8: PARTICIPANT NOTIFICATION REQUIREMENTS.....	14
8.1	REQUIRED NOTIFICATIONS	14
8.2	TIMEFRAME FOR REPORTING	14
8.3	INCREASING BENEFITS	14
8.4	CASE CLOSING.....	14
8.5	VOLUNTARY CLOSING	15
8.6	PARTICIPANT PASSES AWAY	15
8.7	ADDING OR REMOVING AN ELIGIBILITY UNIT MEMBER.....	15
8.8	CHANGE IN THE AGE OF A CHILD.....	15
8.9	CASE CLOSINGS DUE TO AGENCY ERROR	15
	SECTION 9: PAYMENT OF CHILD CARE BENEFITS	15
9.1	SLIDING FEE FROM PARTICIPANT	15
9.2	CO-PAYMENTS TO THE PROVIDER	16
9.3	NON-PAYMENT OF SLIDING FEE.....	16
9.4	PAYMENT FOR FUNCTIONAL AGE OF A CHILD WITH A SPECIAL NEED	16
	SECTION 10: REAPPLICATION PROCESS.....	16
10.1	REAPPLICATION	16
	SECTION 11: TRANSITIONAL CHILD CARE.....	16
11.1	TRANSITIONAL CHILD CARE INCOME CRITERIA	16

SECTION 1. CHILD CARE SUBSIDY OVERVIEW

In accordance with [5 CSR 25-200](#), the Department of Elementary and Secondary Education (DESE) provides financial assistance for child care services through the payment of a portion of child care costs for eligible families. This program is called the Child Care Subsidy program. The Child Care Subsidy program is funded by DESE through the General Assembly, and is subject to appropriation.

DESE may designate another entity (“designee”) to process, review, or otherwise administer the application, eligibility, and authorization process of the Child Care Subsidy program. Any reference to DESE may include DESE’s designee, which may include, but is not limited to, the Family Support Division (FSD) of the Department of Social Services (DSS).

1.1 LEGAL BASIS

Federal Authority: The Child Care Development Block Grant (CCDBG) established the Child Care Subsidy program as a block grant in 1992. In 1996, CCDBG was amended by the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104-193) and the Balanced Budget Act of 1997 and the Reauthorization Act of 2014, as implemented in regulation at 45 CFR Parts 98 and 99.

State Authority: [5 CSR 25-200](#) governs the eligibility and authorization process of the Child Care Subsidy program.

1.2 PARENTAL CHOICE

Parents participating in the Child Care Subsidy program may choose their own child care provider. However, to qualify for payment by DESE, the chosen child care provider shall have a current Child Care Provider Contract with DESE.

1.3 CONFIDENTIALITY AND REQUEST FOR RECORDS

Information obtained from Child Care Subsidy applicants or eligibility units (EU) for the Child Care Subsidy program is confidential in accordance with [Section 208.120, RSMo](#). Requests for such information from anyone other than the applicant shall be sent to DESE legal counsel for review.

1.4 INFORMATION AVAILABLE TO APPLICANTS OR APPLICANT’S REPRESENTATIVE

With a written request and proof of identification, information in the case record can be copied and given to the applicant, a current authorized representative, or a person acting on behalf of the applicant, as confirmed by the applicant with a signed release, to review material and information contained in the case record. The agency may withhold confidential information, such as the names of individuals who have disclosed information about the EU without the household’s knowledge, or the nature or status of pending criminal prosecutions.

1.5 RECORD RETENTION

All child care records containing household information may be destroyed five (5) years from the date of closing, at the discretion of DESE.

SECTION 2: APPLICATION PROCESS

Any individual may apply for assistance. Eligibility determinations shall be reviewed by DESE within fifteen (15) calendar days of receipt of the signed, completed application. A completed application shall include the applicant's name, the child's name, the applicant's contact information, and a signature. All applications shall be signed, which may include an electronic signature.

An applicant who applies on their own may designate an Authorized Representative at any time to assist them in completing the application process.

2.1 REQUESTS FOR CHILD CARE SUBSIDY

An applicant may submit an application the following ways:

- (1) Complete and sign an application at local FSD offices throughout the state of Missouri; or
- (2) Complete an online application by visiting mydss.mo.gov; or
- (3) Complete and submit an application by uploading the application to the My DSS Portal; or
- (4) Complete and submit an application by mail to the Family Support Division, PO Box 2700, Jefferson City, MO 65102 or by fax at 573-526-9400; or
- (5) Complete an application by telephone. DESE shall type the information provided by the applicant in the application, and mail the completed application to the applicant for signature no later than the next business day after the date of the initiation of the application by telephone.

2.2 SIGNING THE APPLICATION

The applicant, legal guardian, conservator, authorized representative, or power of attorney may sign the application. If the applicant has a conservator, the court appointed conservator shall sign and complete the application. If the applicant has a guardian, either the guardian or the applicant may sign the application.

2.3 DATE OF REQUEST

The date of request is the date the application is received by DESE.

2.4 REQUESTS FOR ADDITIONAL INFORMATION OR CLARIFICATION

Interviews are not required and are only requested by DESE to acquire or clarify information not listed on or provided with an application.

DESE may request additional or clarifying information by phone or mail. Upon DESE's notification to the applicant, the applicant shall have ten (10) calendar days to provide the requested information.

2.5 VOLUNTARY WITHDRAWAL OF APPLICATION

An applicant may withdraw their application at any time by submitting a written request to DESE.

2.6 APPLICATION APPROVAL

If the applicant meets all eligibility requirements within fifteen (15) calendar days of submission of the initial application, the application shall be approved. Incomplete applications older than fifteen (15) calendar days will be rejected. All rejected applications may apply again by submitting a new application to DESE.

Eligibility determinations shall be made for a period of twelve (12) months, with the exception of job search, which shall only be for ninety (90) days, unless DESE becomes aware of information making the participant or the eligible child no longer eligible, as explained in [Section 8: Participant Notification Requirements](#).

2.7 APPLICATION DENIAL

An application shall be rejected on the fifteenth (15th) calendar day from the date of application if:

- (1) The applicant fails to provide necessary verification as requested by DESE within the timeframe requested by DESE; or
- (2) The applicant has a child care overpayment and has not agreed to, or is non-compliant with, a repayment plan in accordance with 5 CSR 25-200.100 Child Care Provider Overpayments

SECTION 3: WAITING LIST

When households meet eligibility for Child Care Subsidy and funding is unavailable, households are placed on the waiting list. Applicants on the waiting list shall be responsible for completing reapplication requirements when on the waiting list in order to maintain the accuracy of the waiting list.

3.1 PLACEMENT ON WAITING LIST

DESE's funding for the Child Care Subsidy program is contingent upon funding by the General Assembly, and as determined by DESE. If DESE determines that funding is not available for current applicants, DESE may place a child on the waiting list for Child Care Subsidy funding. DESE shall notify all applicants in the event that the applicant's child may be placed on the waiting list.

The position of a child on the waiting list is determined by the date the child was placed on the waiting list within each priority category.

The priority categories, in order, is as follows:

- (1) Children with special needs as defined in [5 CSR 25-200.050](#);
- (2) Children classified as homeless as defined in the McKinney-Vento Homeless Assistance Act;
- (3) Eligibility units with an adjusted gross income under one hundred percent (100%) of the Federal Poverty Level;
- (4) Eligibility units with an adjusted gross income of one hundred percent (100%) of the Federal Poverty Level or greater.

3.2 REMOVAL FROM WAITING LIST

Applicants shall be notified in writing when their child is removed from the waiting list due to funding availability.

SECTION 4: ELIGIBILITY CRITERIA

To be eligible to receive Child Care Subsidy, the applicant shall meet all eligibility criteria, as verified by DESE.

4.1 RESIDENCY

The applicant shall be a Missouri resident with the intent to remain at the time of application. The applicant's statement may be used to verify this requirement unless DESE has information contradicting the applicant's stated residency status, at which time DESE shall request written documentation from the applicant.

Additional verification may include, but is not limited to:

- (1) A residential lease or mortgage statement dated within the last sixty (60) days listing the name of the applicant and the physical address; or
- (2) A utility bill dated within the last sixty (60) days listing the name of the applicant and physical address; or
- (3) School or child care records dated within the last sixty (60) days listing the applicant's name, child's name, and physical address; or
- (4) A collateral contact from a community agency verifying the applicant and child's physical address.

4.2 CITIZENSHIP OR QUALIFIED ALIEN STATUS OF THE CHILD

Child Care Subsidy shall only be available to the receiving child who must be either a U.S. citizen or a qualified alien. U.S. citizenship or qualified alien status is only required for the child who is the beneficiary of the subsidy benefit.

The applicant's statement may be used to verify this requirement unless DESE has information contradicting the applicant's stated citizenship status, at which time DESE shall request written documentation from the applicant.

4.3 ELIGIBILITY UNIT

The Eligibility Unit (EO) is considered the people living in the same household, as defined in [5 CSR 25-200.050](#).

4.4 RELATIONSHIP OF THE APPLICANT TO THE CHILD

To be eligible to receive Child Care Subsidy, the person completing the application shall be:

- (1) A biological, adoptive, or foster (resource) parent; or
- (2) The legal guardian of the child for whom Child Care Subsidy is requested; or
- (3) A caregiver relative; or
- (4) Other person standing in loco parentis (in the place of the parent).

The applicant's statement of relationship may be used to verify this requirement unless DESE has information contradicting the applicant's stated relationship status, at which time DESE shall request written documentation from the applicant.

4.5 ELIGIBLE CHILD

To be eligible for Child Care Subsidy, the child who is the intended beneficiary shall be:

- (1) Between birth and the day up to the child's thirteenth (13) birthday; or
- (2) A child between the age of thirteen (13) and eighteen (18) and classified as having a special need; or
- (3) A child between the age of eighteen (18) but under nineteen (19) and still in elementary or secondary school and classified as having a special need; or
- (4) A child between the age of eighteen (18) but under nineteen (19) and a Protective Services child.

4.6 SOCIAL SECURITY NUMBER NOT REQUIRED

A Social Security number (SSN) is not required as a condition of eligibility for Child Care Subsidy. An application for Child Care Subsidy shall not be denied or placed in pending status because of an individual's failure or refusal to disclose their SSN or the SSN for any household member, including that of the child for whom Child Care Subsidy is requested.

4.7 INCOME ELIGIBILITY GUIDELINES

In order to qualify for the Child Care Subsidy program, an eligibility unit's adjusted gross income shall not exceed eighty-five percent (85%) of the state median income for an eligibility unit of the same size at the time of application. The income maximums change annually as a reflection of the new income percentages, and are listed on the Child Care Income Eligibility Guidelines and Sliding Fee Chart, which shall be published by DESE and accessible to the public.

4.8 ASSET LIMITS

To qualify for Child Care Subsidy, the EU's net worth (excluding applicants with a protective services child) shall not exceed one million dollars (\$1,000,000). Net Worth is the value of everything owned minus any debts. The applicant's statement of net worth shall be accepted as verification of this requirement.

SECTION 5: ASSESSING INCOME

Income includes income from all sources including, but not limited to: wages, adjusted gross income from self-employment, adjusted gross income from farm income, social security, dividends, interest, etc. Monthly gross income means the average monthly amount of total income received by members of the eligibility unit before deductions. DESE assesses monthly income to determine program eligibility.

5.1 EARNED INCOME

Earned income is income earned through an exchange of providing a service for payment. Acceptable verification of earned income includes, but is not limited to:

- (1) At least two (2) pay check stubs dated within the last sixty (60) days; or
- (2) Provide written documentation to verify income:
 - (A) For ongoing employment: employer name, rate of pay, hours worked per pay period, pay frequency, and explanation of any fluctuations in pay;
 - (B) For new employment: employer name, start date, date of first check, rate of pay, hours to be worked per pay period, pay frequency, and explanation in any expected fluctuations in pay;
 - (C) For end of employment: employer name, last day worked, date of last check; or
- (3) Contact by DESE to current and/or past employer(s).

5.2 UNEARNED INCOME

Unearned income members of the eligibility unit is considered in determining monthly gross income. Verification of unearned income includes but is not limited to:

- (1) Award letter or electronic benefit card deposit statement; or
- (2) Letter from employer with: employer name, rate of pay, hours worked per pay period, pay frequency, and explanation of any fluctuations in pay; or
- (3) Contact by DESE to the agency issuing income, benefit card recording, or collateral contact to another agency that has pay information on file.

5.3 IRREGULAR OR SPORADIC INCOME

The following are considered irregular or sporadic income and are not considered in determining monthly gross income:

- (1) Money from the sale of property, such as stocks, bonds, a house, or a car (unless the person was engaged in the business of selling such property in which case the proceeds are counted as income from self-employment);
- (2) Withdrawals of bank deposits;
- (3) Capital gains, the profit resulting from the sale of capital investments such as stocks, real estate, etc. (unless the person was engaged in the business of selling such property in which case the proceeds are counted as income from self-employment);
- (4) Non-recurring lump sum payments.

5.4 INCOME AND DEDUCTIONS FROM SELF-EMPLOYMENT

Self-employment income is verified through the previous year's tax return/documentation. If the applicant has been self-employed for one (1) year or more, the income shall be divided by twelve (12) months to determine monthly gross income.

If an applicant has been self-employed for less than one (1) year, an average of the amount of self-employed income over the period of time the business has been in operation shall be used to determine the average monthly earnings.

The previous year's tax forms may be used to verify self-employment expenses. The following overhead expenses may be deducted from gross self-employment income:

- (1) Income from Boarders – Food Expense – allow the monthly Food Stamp issuance amount for a one-person household per each boarder.
- (2) Income from Child Care Self Employment – Meals – Allow one dollar (\$1) per child per meal provided, unless meals are deducted as an expense on the tax schedules, in which case, use the meal deduction from the tax schedule.
- (3) Income from Sales – The cost of operation of a vehicle (current state reimbursement rate), and the cost of supplies (as paid).
- (4) Job Related Costs – If the individual has costs associated with furnishing his/her own tools, equipment, transportation, etc., allow the expense, as paid, as a deduction.
- (5) Farm Income – The cost (as paid) of feed, seed, fertilizers, tools, equipment repair and replacement, labor, cost of operation for farm machinery, shipping costs, custom work, and land rental or ownership costs.
- (6) Business Income – The cost (as paid) of tools, equipment repair and replacement, labor, cost of operation of equipment, purchase of materials, supplies, or stock of goods, rental or ownership costs and utilities on separate business establishment, and subcontracting cost.
- (7) Income Producing Property – Cost (as paid) of ownership (mortgage or contract payment, taxes, insurance, repairs), utilities, labor, and supplies.

5.5 MILITARY INCOME

Military income sent to the eligibility unit from an EU member stationed away from the residence of the EU shall be counted as gross monthly income to the EU. However, the military EU member stationed away from the residence shall not be included in determining household size. Verification may include, but is not limited to:

- (1) At least two (2) pay check stubs dated within the last sixty (60) days; or
- (2) For ongoing employment: applicant name, employer name, phone number, rate of pay, hours worked per pay period, pay frequency, and explanation of any fluctuations in pay; or
- (3) For new employment: applicant name, employer name, phone number, start date, date of first check, rate of pay, hours to be worked per pay period, pay frequency, and explanation in any expected fluctuations in pay; or
- (4) For end of employment: employer name, last day worked, date of last check; or
- (5) Electronic military record; or
- (6) Bank statement showing income received; or
- (7) DESE contact with employer.

5.6 EXCLUSIONS FROM MONTHLY GROSS INCOME

The following types of funds and resources shall be excluded from determining the monthly gross income:

5.6.1 BENEFITS FROM ANOTHER AGENCY

- (1) Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- (2) Any benefits received under Title VII, Nutrition Program for the Elderly, for the Older Americans Act of 1965, as amended;
- (3) Adoption Subsidy (AS) Maintenance Payment;
- (4) Death benefits such as OASDI, VA, Railroad, or other burial Benefits;
- (5) Burial benefits are exempt. Budget regular monthly survivor's benefits;
- (6) Incentive payments and supportive services, including direct reimbursements for child care, received through case management services from FSD staff or outside case management agencies;
- (7) Vocational Rehabilitation: Payments made for maintenance, transportation, tuition, fees, etc., in connection with a claimant participating in training or school attendance are excluded. If the applicant receives payment specifically designated for child care expense, budget as income;
- (8) Veterans Education Assistance: The portion, which is for the 'student' and is actually used for items such as tuition, books, fees, equipment, transportation for school, etc., shall be excluded. The portion designated for maintenance and child care expense shall be included as income;
- (9) Workforce Investment Act (WIA): Applicants may receive one (1) or more of the following types of payments:
 - (A) Wages: Wages are budgeted as earned income unless received by a dependent child.
 - (B) Supportive Services: Supportive Services are excluded, except those specifically designated for child care expense.
 - (C) Compensation in Lieu of Wages: If received by a child, this compensation is excluded. If received by an adult household member, or an emancipated minor, count as income;
 - (D) Need Based Payments: If used for the living expenses of an adult or emancipated minor, they are counted as income. If they are designated for a specific purpose or in-kind assistance, they are excluded. If a child receives them, they are excluded.
- (10) Job Corps: Applicants receive living allowances and readjustment allowances. They may also receive an allowance for training related expenses. If a child is in Job Corps, both of the allowances and the training related expenses are excluded.
 - (A) If an adult or an emancipated minor is in Job Corps, count income as follows:
 1. Living Allowance is excluded;
 2. Readjustment Allowance is not treated as income while it remains in a fund. When the applicant accesses the Readjustment Allowance, it is counted as income;
 3. Training Related Expenses are excluded, except those specifically designated for child care expense;
 4. When a guardian receives a Readjustment Allowance for a Jobs Corps participant for the purpose of assisting in the care of a child, it is called an "allotment" and it is counted as income;
- (11) Income received by volunteers for services performed in programs stipulated in the Domestic Volunteer Services Act of 1973, Public Law 93-113, is excluded. Programs include the Retired Senior Volunteer Program, the Foster Grandparent Program, Older American Community Service Program, Service Corp. of Retired Executives, and University Year for Action Volunteers (UYA), and Volunteers in Service to America (VISTA) as administered by the Federal Domestic Volunteer Agency (ACTION);
- (12) Payments or allowances made under any Federal, State, or local laws for the purpose of energy assistance are excluded;

- (13) Income received by applicants in projects carried out under Title V of the Older Americans Act is excluded;
- (14) Supplemental Security Income (SSI) payments; or
- (15) Foster Care payments (IV-E or HDN) are excluded.

5.6.2 RESOURCE PAYMENTS

The following are considered resources and shall be excluded:

- (1) Money from the sale of property, such as stocks, bonds, a house, or a car, unless the person was engaged in the business of selling such property in which case the proceeds are counted as income from self-employment;
- (2) Withdrawals of bank deposits;
- (3) Capital gains, the profit resulting from the sale of capital investments such as stocks, real estate, etc., unless the person was engaged in the business of selling such property in which case the proceeds are counted as income from self-employment;
- (4) Non-recurring lump sum payments.

5.6.3 MONETARY GIFTS AND SPECIAL INCOME CIRCUMSTANCES

Income received in certain circumstances and non-recurring cash gifts shall be excluded:

- (1) Monetary gifts received for holidays, birthdays, and, graduations, which do not exceed the Temporary Assistance Consolidated Standard – Percentage of Need (for the household size) in a month, are excluded from consideration when budgeting income of the household;
- (2) Earnings of a child (under eighteen (18) years of age) in the household who is attending school are excluded as income to the eligibility unit;
- (3) Earnings of adult children of the applicant, specified relative, or guardian not included in the eligibility unit are excluded;
- (4) Earnings received as a payee/guardian for a non-household member are excluded.

5.6.4 IN-KIND/NON-CASH INCOME

Some income, even though available, shall be excluded:

- (1) In-kind income is to be excluded in determining monthly gross income. In-kind income consists of any commodity, not in the form of cash, which is received by any member of the eligibility unit. An example of income in-kind is meals supplied by an employer to a waitress.
- (2) The value of the food stamp (Supplemental Nutrition Assistance Program (SNAP)) allotment.
- (3) The value of supplemental food assistance under the Child Nutrition Act of 1966 and the special food service programs for children under National School Lunch Act, as amended is excluded.
- (4) Payments made directly to a vendor on behalf of a household member by a health or service agency (such as County Court, Division of Mental Health, etc.) are not considered as income.
- (5) Rent or mortgage allowances from HUD are not considered income.
- (6) Funds withheld from any income source to repay an overpayment either voluntary or involuntary.
- (7) Missouri Senior Citizens' Tax Credit, which is based on individuals who rent or pay property tax, is not considered income.
- (8) Mandatory deductions from military pay for education purposes while the individual is enlisted are excluded.

5.6.5 LOANS

- (1) Bona fide loans and grants, except that part of a grant designated for living expenses or child care, is an income exclusion.
- (2) Any educational grant or loan insured under any program administered under the Higher Education Act is excluded. These programs of student assistance include:
 - (A) Basic Educational Opportunity Grants;
 - (B) Supplemental Educational Opportunity Grants;
 - (C) The College Work Study Program;
 - (D) National Direct Student Loans; and
 - (E) Guaranteed Student Loans.

5.6.6 OTHER

This section lists unusual sources of income that shall be excluded when determining eligibility:

- (1) Any funds distributed per capita to, or held in trust for, members of any Indian tribe under Public Law 92-254, Section 7 of Public Law 93-134, Public Law 94-540, Section 4 of Public Law 97- 458, or Section 2 of Public Law 98-64.
- (2) Pursuant to section 15 of Public Law 100-241, exclusions include any of the following distributions from a Native Corporation established pursuant to the Alaska Native Claims Settlement Act (Public Law 92-203):
 - (A) Cash (including cash dividends on stock received from a Native Corporation) to the extent that it does not exceed two thousand dollars (\$2,000) per individual per year.
 - (B) Stock (including stock issued or distributed by a Native Corporation as a dividend or distribution on stock).
 - (C) A partnership interest in land; or an interest in land received from a Native Corporation as a dividend or distribution on stock.
 - (D) Interests in a settlement trust.
- (3) Tax refunds and Earned Income Tax Credit (EITC) advance payments and EITC refunds.
- (4) That portion of lump sum insurance payments, which are for a specific purpose such as medical bills, compensation for loss of resources, etc.
- (5) Reimbursements for past or future expenses, which do not exceed the actual expenses, do not represent a gain or benefit.
- (6) Charitable contributions received from non-profit organizations of three hundred dollars (\$300) or less.
- (7) The portion of a military retirement payment, which goes to an ex-spouse under a divorce decree property settlement, is not counted as income to a retiree.
- (8) When the President declares a disaster, any Federal major disaster relief and emergency assistance provided to individuals and families under the Disaster Relief Act as amended, and comparable assistance provided by States, local governments, and disaster assistance organizations under Public Law 100-107.
- (9) Restitution payments, to the extent that the total does not exceed twenty thousand dollars (\$20,000), received by individuals of Japanese ancestry who were interned during World War II. These payments were authorized under section 105 of Public Law 100-383, the Civil Liberties Act of 1988.
- (10) Restitution payments between one dollar (\$1) and twelve thousand dollars (\$12,000), received by Aleuts who were interned during World War II. These payments were authorized under section 206 of Public Law 100-383, Aleutian and Pribilof Islands Restitution Act.
- (11) Payments received by an individual from the Radiation Exposure Compensation Act authorized by Public Law 101-426, enacted October 15, 1990.

(12) VA Compensated Work Therapy.

(13) Achieving a Better Life Experience (ABLE) Account: Contributions to and interest, dividends, or other distributed earnings in an ABLE account. Also exclude from income payments made from an ABLE account for qualified disability expenses.

5.7 DEDUCTIONS FROM GROSS INCOME

The following expenses shall be deducted from gross income:

- (1) Hospital/Physician insurance;
- (2) MO HealthNet insurance premiums;
- (3) Dental/Vision insurance;
- (4) Medicare supplement policies;
- (5) Cancer insurance;
- (6) Nursing care; and
- (7) Other health insurance policies not included above.

The following expenses are not allowable deductions from gross income:

- (1) Wage or income replacement policies;
- (2) Accident policies;
- (3) Life insurance policies;
- (4) Disability policies; or
- (5) Burial insurance policies.

SECTION 6: QUALIFYING ACTIVITY (VALID NEED)

The applicant shall demonstrate a valid need for child care due to engaging in a qualifying activity. A qualifying activity (valid need) may be one (1) or a combination of the following qualifying activities:

- (1) Employment;
- (2) Education;
- (3) Training;
- (4) Job search (ninety (90) calendar day maximum);
- (5) Incapacitation/disability of an applicant; or
- (6) Homelessness as defined in 42 U.S.C. section 11302(a).

Applicants with the following household factors shall also meet the qualifying activity (valid need) requirement:

- (1) The child is a Protective Services child; or
- (2) The child is a child with a special need for child care.

6.1 EMPLOYMENT

Employment shall be paid work and verified by DESE from the source. Employment is a qualifying activity (valid need) as long as the applicant works without a gap in employment that exceeds ninety (90) calendar days.

If the applicant is a license-exempt, six or fewer child care provider contracted with DESE to accept subsidy payment, this employment shall not qualify for purposes of eligibility for the applicant's own child. Applicants claiming to work for a six or fewer child care provider contracted with DESE are not eligible to use employment as a qualifying activity (valid need) for care.

6.1.1 VERIFICATION OF EMPLOYMENT

Employment verification can include, but is not limited to, any of the following:

- (1) Written documentation from the employer that includes: applicant name, employer name, phone number, start date, hours worked per pay period, pay frequency, and explanation of any fluctuations in hours; or
- (2) Wage Stubs; or
- (3) The Work Number; or
- (4) DESE contact with the employer; or
- (5) Statement from the employer, written on company letterhead.

For self-employed individuals:

- (1) If the business has been in operation for more than a year, DESE will use the individual's previous year's tax return, including all schedules along with their statement to determine their work schedule.

If the business has not been in operation more than a year, DESE will use the individual's business records along with their statement to determine their work schedule.

6.2 EDUCATION

Education shall be verified by the source:

Elementary, Junior High or High School

- (1) The applicant is enrolled in elementary, junior, or high school.

High School Equivalency Test (HiSET)/ Adult Education and Literacy (AEL)

- (1) The applicant is enrolled in a HiSET or AEL program.
- (2) The HiSET and AEL program shall be pre-approved by the Department of Elementary and Secondary Education (DESE).

Post-Secondary

- (1) The applicant is enrolled in a post-secondary program to receive an undergraduate degree.
- (2) The program shall be a college or university that offers an associate's or bachelor's degree program, or offers credits in courses that can be used to become certified in a specialty or can be transfer to an institution that offers an associate's or bachelor's degree.
- (3) Post-graduate study is not an eligible qualifying activity (valid need) component.

Online Education

- (1) The applicant is enrolled in an online education program to receive an undergraduate degree.
- (2) The program shall be a college or university that offers an associate's or bachelor's degree program, or offers credits in courses that can be used to become certified in a specialty or can be transfer to an institution that offers an associate's or bachelor's degree.
- (3) Post-graduate study is not an eligible activity (valid need) component.

English as a Second Language (ESL)

- (1) The applicant is enrolled in an ESL program.

6.2.1 VERIFICATION OF EDUCATION

Examples of verification are:

- (1) Written verification of enrollment that includes: the applicant's name, school name, phone number, start date, and class schedule; or
- (2) Tuition payment receipts; or
- (3) Computer-generated class schedules; or
- (4) Letter from the school on the institution's letterhead that includes the name, title, and signature of the staff person completing the letter, as well as the facility's phone number and address; or
- (5) Phone call to program/school.

6.3 TRAINING

Training shall be verified by the source:

Job Training

- (1) Examples of job training as a qualifying activity (valid need) include, but are not limited to the following: on the job training, training for a Certified Nurse Assistant (CNA), Remedial or basic education provided as a component of a vocational certificate, license or degree, industry skills certifications, unpaid employer sponsored trainings, Limited English Proficiency (LEP) provided as a component of or requirement for a vocational certificate, license or degree, apprenticeships, non-profit sponsored trainings that lead to employment, and other customized training programs.

SkillUP

- (1) The applicant is enrolled in a SkillUP program.

Evaluation for Training

- (1) The applicant is enrolled in an evaluation for training program.
- (2) An applicant may use evaluation for training as a valid need for two (2) weeks for each evaluation.
- (3) Evaluation must be for a federally funded program (i.e. Vocational rehab, Job Corps, Workforce Initiative and Opportunity Act, Missouri Work Assistance, etc.).

Missouri Work Assistance Program (MWA)

- (1) TANF applicants who do not qualify for an MWA exemption; or
- (2) TANF recipients actively participating in the MWA program.

Jobs Skills Training

- (1) The applicant is enrolled in a job skills training program administered by a federally funded program (i.e. Vocational rehab, Job Corps, Workforce Initiative and Opportunity Act, Missouri Work Assistance, etc.).

6.3.1 VERIFICATION OF TRAINING

Applicants shall submit enrollment forms and training information for verification.

6.4 JOB SEARCH

A job search period is a qualifying activity (valid need). The applicant may use job search as a need for ninety (90) calendar days or until the last day of the month in which the ninetieth (90th) calendar day falls.

At the time of application, if the applicant has no other qualifying activity, job search can be authorized as an initial qualifying activity as a part-time authorization. This authorization will end in ninety (90) days. If the applicant has not found another qualifying activity by the end of the ninety- (90) day timeframe, the child care subsidy authorization will be closed.

If the applicant needs to use job search as a qualifying activity following the loss of any other initial qualifying activity during their certification period, job search will be a full-time authorization not to exceed ninety (90) days. This authorization will end in ninety (90) days. If the applicant has not found another qualifying activity by the end of the ninety- (90) day timeframe, the child care subsidy authorization will be closed.

The applicant may not use job search as an initial qualifying activity (valid need) in consecutive eligibility determinations. The applicant may not use job search following the loss of another qualifying activity more than once during the twelve (12) month certification.

6.5 INCAPACITATION/DISABILITY OF APPLICANT

Incapacitation/disability of the applicant is a qualifying activity (valid need) as long as a certified physician, psychologist, psychiatrist, licensed clinical social worker, licensed professional counselor, nurse practitioner, or physician's assistant provides an annual statement verifying the need for care.

6.5.1 VERIFICATION OF INCAPACITATION/DISABILITY OF APPLICANT

The applicant shall provide a written statement from a medical professional on professional letterhead. The statement shall include information that child care is necessary due to the adult's incapacity/disability.

6.6 PROTECTIVE SERVICE CHILD

The following categories shall be a qualifying activity (valid need):

- (1) Children in the legal custody of the Department of Social Services, Children's Division pursuant to an order of the juvenile court; or
- (2) Children who are the subject of a current adoption or guardianship subsidy agreement with the Children's Division; or
- (3) Children with an active family centered services or intensive in home services case with the Children's Division.

6.6.1 VERIFICATION OF PROTECTIVE SERVICE CHILD

The applicant's statement may be used to verify this requirement unless DESE has information contradicting the applicant's stated Protective Service's status, at which time DESE shall request written documentation from the applicant.

6.7 CHILD WITH A SPECIAL NEED FOR CHILD CARE

A child may be classified as having special needs if the child is an eligible child and:

- (1) Receives Supplemental Security Income (SSI) benefits based on the child's disability; or
- (2) Receives services through the Department of Mental Health (DMH) due to an identified disability or mental health need; or
- (3) Has a physical or mental disability or delay:
 - (A) Defined by the Americans with Disabilities Act (ADA) as any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one (1) or more of the

- following body systems: neurological, musculoskeletal, special sense organs, respiratory (including speech organs), cardiovascular, reproductive, digestive, genitourinary, hemic and lymphatic, skin, and endocrine; or
- (B) Which causes a significant delay in a child's cognitive, behavioral, emotional, or social development in comparison with normal development standards.

6.7.1 VERIFICATION OF A CHILD WITH A SPECIAL NEED

Special Need of the child is a qualifying activity (valid need) as long as a certified physician, psychologist, psychiatrist, licensed clinical social worker, licensed professional counselor, nurse practitioner, or physician's assistant provides an annual statement verifying the need for care.

6.8 APPLICANT EXPERIENCING HOMELESSNESS

The term homeless is defined as an individual or family who lacks a fixed, regular, and adequate nighttime residence. An applicant residing at a homeless shelter, domestic violence shelter, and/or working with a community agency to find stable housing, have a qualifying activity (valid need) for care.

6.8.1 VERIFICATION OF APPLICANT EXPERIENCING HOMELESSNESS

Verification shall include, but is not limited to:

- (1) A written statement from the shelter, a collateral contact from a community agency, or with staff contact to the shelter or community organization.

SECTION 7: AUTHORIZATION PROCESS

Once eligibility has been established, the applicant can utilize the Subsidy using a child care provider contracted with DESE for payment for child care services.

A child's specific number of days and hours for authorized care is dependent on the age of the child and the number of days and hours that care is needed.

Payment for care varies depending on the time of day care is provided:

- (1) Daytime care is provided from 6:00 a.m. to 7:00 p.m. Monday through Friday;
- (2) Evening care is provided from 7:01 p.m. to 5:59 a.m. any day of the week; and
- (3) Weekend care is provided from 6:00 a.m. Saturday to 6:59 p.m. Sunday.

7.1 AUTHORIZING EMPLOYMENT

A participant working more than thirty (30) hours shall be authorized for full-time care based on their statement and the income verification they provide.

A participant working less than thirty (30) hours will be authorized for part-time or half-time care based on their statement and verification documentation. Participants needing evening and/or weekend care shall be authorized for such based on their statement and the income verification they provide.

7.2 AUTHORIZING EDUCATION

A participant attending school as a full-time student will be authorized for full-time care based on their statement and the need verification they provide. A participant attending school as a part-time student will be authorized for part-time or half-time care based on their statement and the need documentation they provide. Participants needing evening and/or weekend care will be authorized for such based on their statement and the need verification they provide.

Participants enrolled in post-secondary education may continue to have their child authorized to a child care provider during normally scheduled breaks, such as winter and spring breaks.

7.3 AUTHORIZING TRAINING

An applicant attending training as a full-time student will be authorized for full-time care based on their statement and the need verification they provide. A participant training as a part-time student shall be authorized for part-time or half-time care based on their statement and the need documentation provide. Participants needing evening and/or weekend care shall be authorized for such based on their statement and the need verification provided.

7.4 AUTHORIZING JOB SEARCH

An applicant shall be authorized for part-time daytime authorization for job search when used as the initial qualifying activity and full-time following the loss of a qualifying activity for ninety (90) days.

7.5 AUTHORIZING FAMILIES EXPERIENCING HOMELESSNESS

The child of an applicant experiencing homelessness shall be authorized for full-time care. If the child is a school-aged child, the authorization shall be based on the school schedule of the child.

7.6 AUTHORIZING INCAPACITATION/DISABILITY OF APPLICANT

An applicant who is incapacitated/disabled shall be authorized based on the medical provider's statement and the applicant's statements.

7.7 AUTHORIZING A PROTECTIVE SERVICE CHILD

The child receiving protective services shall be authorized based on the statement of the applicant (e.g., foster parent/Children's Division staff), unless DESE has information contradicting the applicant's stated need, at which time DESE shall request written documentation.

7.8 AUTHORIZING A CHILD WITH A SPECIAL NEED FOR CHILD CARE

The child with a special need for child care shall be authorized based on the medical professional statement that includes the reason care is needed, the number of hours of care needed per day, the number of days per week child care is needed, and the anticipated duration of the need for care.

7.9 AUTHORIZING SCHOOL AGE CHILDREN

During the school year, the amount of care authorized for children enrolled in school shall be based on the applicant's need for before and after school care and shall include five (5) full-time days of care September through April to allow for payment of days when school is not in session.

Authorizations for children over seven (7) requiring more than five (5) full-time days shall require documentation to verify need for care.

7.10 AUTHORIZATION DURING A PARTICIPANT'S SLEEP TIME

Child care may be authorized for sleep time if the participant is employed any part of a shift that is between 10:00 p.m. and 6:00 a.m. The following should be taken into consideration when authorizing the amount of care for sleep time:

- (1) Care shall be authorized on days that follow an over-night work schedule;
- (2) Care shall be authorized during the hours the child is not in school or is not home schooled; and
- (3) Travel time.

7.11 CONTINUITY OF CARE

Child Care authorizations will continue if the participant is enrolled in a qualifying activity (valid need) and a temporary change occurs. Temporary changes that could occur include but are not limited to:

- (1) Winter, Summer, or Spring break from school;
- (2) Temporary factory shut-down;
- (3) Scheduled employer closings;
- (4) Vacation;
- (5) Medical leave; or
- (6) Maternity/paternity leave.

SECTION 8: PARTICIPANT NOTIFICATION REQUIREMENTS

8.1 REQUIRED NOTIFICATIONS

A participant shall only be required to report certain changes that occur after an initial application or reapplication is approved. Following the initial application or reapplication, the only changes required to be reported by the participant shall be:

- (1) Changes in contact information: address, phone number, or email address used in the application;
- (2) Changes in monthly income, in order to assess if the change exceeds eighty-five percent (85%) of the state median income for the EU;
- (3) The qualifying activity (valid need) has ended for more than ninety (90) days;
- (4) The child has moved out of state;
- (5) The participant no longer has care or custody of the eligible child.

A participant may report changes that are not required to be reported between reapplication timeframes. All reported information shall be recorded. Between authorization and re-authorization periods, DESE shall disregard all known changes that are not required to be reported unless the benefit will be increased, or will require case closure in accordance with Section 8.4: Case Closing.

8.2 TIMEFRAME FOR REPORTING

For changes required to be reported, a reported change, other than a change in source of income, is considered timely if it is reported within ten (10) calendar days in which the change occurred. A change in income is considered timely if it is reported within ten (10) calendar days following the date the first check is received.

The participant is not eligible for restored benefits for months prior to the month the change is reported.

8.3 INCREASING BENEFITS

DESE shall take action on any reported or known change that increases benefits to the participant.

8.4 CASE CLOSING

The case shall be closed if:

- (1) Adjusted gross monthly income exceeds eighty-five percent (85%) of the state median income for the EU;
- (2) The qualifying activity (valid need) has ended for more than ninety (90) calendar days; or
- (3) The eligible child no longer remains in the participant's care or custody.

8.5 VOLUNTARY CLOSING

A participant may voluntarily close their case by submitting a written request to DESE.

8.6 PARTICIPANT PASSES AWAY

In the event that a participant passes away, remaining adult EU members shall have the opportunity to act as head of household for the child's case.

8.7 ADDING OR REMOVING AN ELIGIBILITY UNIT MEMBER

The participant may add or remove EU members once determined eligible. If the additional EU members increases the benefit, the change shall be processed. If the additional EU members decrease the benefit, the benefit shall be disregarded.

8.8 CHANGE IN THE AGE OF A CHILD

Providers are paid different rates depending on the age of the child. The rate change from infant to preschool, and from preschool to school-age, is made the first day of the month following the child's second (2nd) and fifth (5th) birthdays. An eligible child who turns thirteen (13) years of age shall continue receiving benefits until the end of the participant's eligibility period, unless determined to be a child with a special need for child care or a Protective Service child.

8.9 CASE CLOSINGS DUE TO AGENCY ERROR

In the event of agency error, where the participant is found eligible and later found ineligible due to agency error, the case shall remain open for the eligibility period. However, in the event of an intentional violation on the part of the participant, which would invalidate the prior determination of eligibility, DESE may close the case and shall notify the participant of its findings in writing.

SECTION 9: PAYMENT OF CHILD CARE BENEFITS

9.1 SLIDING FEE FROM PARTICIPANT

The sliding fee is the portion of the child care expense that the participant must pay directly to the child care provider. If an eligibility unit's only income is Temporary Assistance, or, if the total gross income falls below twenty-five percent (25%) of the state median income level, the participant is required to pay one dollar (\$1) annually to meet the sliding fee requirement.

The amount of the sliding fee paid by the eligibility unit is determined by using the Child Care Eligibility Income Guidelines and Sliding Fee Chart. It is based on household size and adjusted gross monthly income. The sliding fee is deducted from the base rate before payment is made to the child care provider. The sliding fee varies by the amount of care (full, half, and part time).

A change in income or household size may result in a change in the sliding fee amount. In the event of a reduction of the sliding fee, DESE will notify the participant and the authorized child care provider of the change in the sliding fee amount. The reduction in the sliding fee amount is effective in the month the respective change is reported.

A sliding fee shall not be charged to children with a special need for child care or Protective Service children.

9.2 CO-PAYMENTS TO THE PROVIDER

When a child care provider's actual charges are more than the state maximum rate, the child care provider may collect the excess amount from the eligibility unit. This is called the co-payment and is the eligibility unit's responsibility to pay in addition to the sliding fee.

A sliding fee shall not be charged to children with a special need for child care or Protective Service children.

9.3 NON-PAYMENT OF SLIDING FEE

An applicant may have a Child Care Subsidy application rejected if the applicant has an outstanding debt owed to a contracted child care provider.

If a child care provider reports that an applicant fails to pay the sliding fee amount, verification of the amount owed shall be requested, and the applicant shall repay or sign an agreement agreeing to repay the provider prior to being found eligible.

9.4 PAYMENT FOR FUNCTIONAL AGE OF A CHILD WITH A SPECIAL NEED

Rates paid by DESE are based on the child's functional age. If a child is functioning at a functional age less than their actual age, DESE shall document the child's functional age based on documentation received. The rate paid to the provider shall reflect the child's functional age.

SECTION 10: REAPPLICATION PROCESS

10.1 REAPPLICATION

DESE shall send a written notification to the applicant at least thirty (30) days prior to the eligibility end date. The notification shall be sent to the address on file with DESE. In order to be re-determined for continued eligibility, the applicant shall complete and return the application to assess eligibility for traditional and/or transitional child care benefits. The application shall be assessed in accordance with all Child Care Subsidy eligibility criteria.

The applicant's failure to submit the application prior to the end of the current eligibility period will result in termination of the benefit.

SECTION 11: TRANSITIONAL CHILD CARE

11.1 TRANSITIONAL CHILD CARE INCOME CRITERIA

Applicants who reapply for benefits before the end of the eligibility period may qualify for a gradual phase out of the Child Care Subsidy program called Transitional Child Care. Subject to appropriation, there may be multiple levels of Transitional Child Care, to include the following:

Income eligibility for Transitional Child Care Level 1 (TCC1) shall be one hundred fifty-one percent (151%) of the federal poverty level but not to exceed one hundred eighty-five percent (185%) of the federal poverty level. The Applicant shall be responsible for paying the sliding fee to the provider. DESE shall fund eighty percent (80%) of the remaining state base rate.

Income eligibility for Transitional Child Care Level 2 (TCC2) shall be one hundred eighty-six percent (186%) of the federal poverty level but not to exceed two hundred fifteen percent (215%) of the federal poverty level. The Applicant shall be responsible for paying the sliding fee to the provider. DESE shall fund sixty percent (60%) of the remaining state base rate.

Income eligibility for Transitional Child Care Level 3 (TCC3) shall be two hundred sixteen percent (216%) of the federal poverty level but not to exceed two hundred forty-two percent (242%) of the federal poverty level. The Applicant shall be responsible for paying the sliding fee to the provider. DESE shall fund fifty percent (50%) of the remaining state base rate.